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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

PHOENIX SOLUTIONS, INC., a California  
corporation,

Case No. CV 08-0863 MHP

Plaintiff,

v.

**ANSWER TO AMENDED COMPLAINT  
DEMAND FOR JURY TRIAL**

WELL'S FARGO BANK, N.A., a Delaware  
corporation,

Defendant.

Defendant Wells Fargo Bank, N.A. ("Wells Fargo") answers Phoenix Solutions, Inc.'s ("Phoenix's") amended complaint ("Complaint") as follows:

1. Wells Fargo admits that the Complaint purports to recite an action for infringement under the patent laws of the United States.

**I. THE PARTIES**

2. Wells Fargo denies that Phoenix is a corporation organized and existing under the laws of the State of California; Wells Fargo lacks knowledge or information sufficient to form a

1 belief about the truth of the remainder of the allegations in this paragraph and, on that basis,  
2 denies the remainder of the allegations in this paragraph.

3 3. Wells Fargo admits that it has a place of business at 420 Montgomery Street, San  
4 Francisco, California 94163. Wells Fargo denies the remainder of the allegations of this  
5 paragraph.

6 **II. FACTUAL BACKGROUND**

7 4. Wells Fargo lacks knowledge or information sufficient to form a belief about the  
8 truth of the allegations in this paragraph and, on that basis, denies the allegations in this  
9 paragraph.

10 5. Wells Fargo lacks knowledge or information sufficient to form a belief about the  
11 truth of the allegations in this paragraph and, on that basis, denies the allegations in this  
12 paragraph.

13 6. Wells Fargo lacks knowledge or information sufficient to form a belief about the  
14 truth of the allegations in this paragraph and, on that basis, denies the allegations in this  
15 paragraph.

16 7. Wells Fargo admits that it provides financial services including banking,  
17 insurance, investment, mortgage loan, and consumer finance services. Wells Fargo admits that it  
18 operates customer support lines, some of which are toll-free. Wells Fargo admits that some of its  
19 customer support lines employ interactive voice response (IVR) systems that provide customers  
20 with audible responses. Wells Fargo lacks information sufficient to form a belief about the truth  
21 of the remainder of the allegations in this paragraph and, on that basis, denies the remainder of  
22 the allegations in this paragraph.

23 8. Wells Fargo lacks knowledge or information sufficient to form a belief about the  
24 truth of the allegations in this paragraph and, on that basis, denies the allegations in this  
25 paragraph.

26 9. Wells Fargo lacks knowledge or information sufficient to form a belief about the  
27 truth of the allegations in this paragraph and, on that basis, denies the allegations in this  
28 paragraph.

1       10.   Wells Fargo lacks knowledge or information sufficient to form a belief about the  
2 truth of the allegations in this paragraph and, on that basis, denies the allegations in this  
3 paragraph.

4       11.   Wells Fargo lacks knowledge or information sufficient to form a belief about the  
5 truth of the allegations in this paragraph and, on that basis, denies the allegations in this  
6 paragraph.

7       12.   Wells Fargo lacks knowledge or information sufficient to form a belief about the  
8 truth of the allegations in this paragraph and, on that basis, denies the allegations in this  
9 paragraph.

10      13.   Wells Fargo lacks knowledge or information sufficient to form a belief about the  
11 truth of the allegations in this paragraph and, on that basis, denies the allegations in this  
12 paragraph.

13      14.   Wells Fargo lacks knowledge or information sufficient to form a belief about the  
14 truth of the allegations in this paragraph and, on that basis, denies the allegations in this  
15 paragraph.

16      15.   Wells Fargo admits that some of the IVR systems used in its customer support  
17 lines may respond with an audible response or may route the caller to a live person. Wells Fargo  
18 lacks information sufficient to form a belief about the truth of the remainder of the allegations in  
19 this paragraph and, on that basis, denies the remainder of the allegations in this paragraph.

20      16.   Wells Fargo lacks knowledge or information sufficient to form a belief about the  
21 truth of the allegations in this paragraph and, on that basis, denies the allegations in this  
22 paragraph.

23      17.   Wells Fargo lacks knowledge or information sufficient to form a belief about the  
24 truth of the allegations in this paragraph and, on that basis, denies the allegations in this  
25 paragraph.

26      18.   Wells Fargo lacks knowledge or information sufficient to form a belief about the  
27 truth of the allegations in this paragraph and, on that basis, denies the allegations in this  
28 paragraph.

1       19.   Wells Fargo lacks knowledge or information sufficient to form a belief about the  
2 truth of the allegations in this paragraph and, on that basis, denies the allegations in this  
3 paragraph.

4       20.   Wells Fargo admits that the IVR systems used in its customer support lines are a  
5 combination of components, including hardware, software, and content, that it obtained from  
6 third parties. Wells Fargo lacks knowledge or information sufficient to form a belief about the  
7 truth of the allegations in the remainder this paragraph and, on that basis, denies the allegations  
8 in the remainder of this paragraph.

9       21.   Wells Fargo lacks knowledge or information sufficient to form a belief about the  
10 truth of the allegations in this paragraph and, on that basis, denies the allegations in this  
11 paragraph.

12       22.   Wells Fargo admits that, on or about June 2, 2006, J. Nicholas Gross of the Trojan  
13 Law Offices sent a letter addressed to James Strother, purportedly on behalf of Phoenix, in which  
14 Mr. Gross stated that the “speech based electronic agent” that Mr. Gross apparently assumed was  
15 operated by Wells Fargo “is very likely covered one or more claims of the Phoenix portfolio in  
16 this area.” Wells Fargo admits that the letter listed U.S. Patent Nos. 6,633,846, 6,616,172,  
17 6,665,640, and 7,050,977 and a pending publication, Publication No. 2004/0117189. Wells  
18 Fargo further admits that the letter stated that “we request that you please review the enclosed  
19 materials, and let us know within 30 days if Wells Fargo is interested in securing a license to the  
20 above technologies.” Wells Fargo admits that, on or about June 27, 2006, Walter Linder pointed  
21 out in a letter to Mr. Gross that Mr. Gross had failed to identity any specific claims that were  
22 infringed and had not provided any specific reasons why any such claims were infringed. Wells  
23 Fargo admits that, on or about June 29, 2006, Mr. Gross replied by letter to Mr. Linder that  
24 Wells Fargo may have overlooked a CD enclosed with the original letter. Wells Fargo admits  
25 that, on or about October 18, 2007, R. Joseph Trojan, purportedly representing Phoenix, sent a  
26 letter to Mr. Linder stating, *inter alia*, “the only rational choice is for Wells Fargo to solicit more  
27 favorable treatment as a willing licensee than the terms it would receive as a defendant in  
28 litigation.” The letter further demanded that Wells Fargo “disclose its call volume for each of

1 the past three years for its interactive natural language processing customer support lines.”  
 2 Wells Fargo denies the remainder of the allegations in this paragraph.

3 **III. JURISDICTION AND VENUE**

4 23. This paragraph states no more than a legal conclusion to which no response is  
 5 required.

6 24. This paragraph states no more than a legal conclusion to which no response is  
 7 required.

8 25. This paragraph states no more than a legal conclusion to which no response is  
 9 required.

10 **IV. FIRST COUNT FOR INFRINGEMENT OF UNITED**  
 11 **STATES PATENT NO. 6,633,846**

12 26. Wells Fargo repeats and realleges its responses set forth in paragraphs 1-25  
 above.

13 27. Wells Fargo admits that what purports to be a copy of U.S. Patent No. 6,633,846  
 (“ ’846 patent”) is attached to the Complaint as Exhibit 1. Wells Fargo admits that the ’846  
 patent is entitled “Distributed Real Time Speech Recognition System.” Wells Fargo lacks  
 knowledge or information sufficient to form a belief about the truth of the remainder of the  
 allegations in this paragraph and, on that basis, denies the remainder of the allegations in this  
 paragraph.

19 28. Denied.  
 20 29. Denied.  
 21 30. Denied.

22 **V. SECOND COUNT FOR INFRINGEMENT OF UNITED**  
 23 **STATES PATENT NO. 6,665,640**

24 31. Wells Fargo repeats and realleges its responses set forth in paragraphs 1-25  
 above.

26 32. Wells Fargo admits that what purports to be a copy of U.S. Patent No. 6,665,640  
 (“ ’640 patent”) is attached to the Complaint as Exhibit 2. Wells Fargo admits that the ’640  
 patent is entitled “Interactive Speech Based Learning/Training System Formulating Search

1       Queries Based on Natural Language Parsing of Recognized User Queries.” Wells Fargo lacks  
 2       knowledge or information sufficient to form a belief about the truth of the remainder of the  
 3       allegations in this paragraph and, on that basis, denies the remainder of the allegations in this  
 4       paragraph.

5           33.     Denied.

6           34.     Denied.

7           35.     Denied.

8           **VI.     THIRD COUNT FOR INFRINGEMENT OF UNITED**  
 9           **STATES PATENT NO. 7,050,977**

10          36.    Wells Fargo repeats and realleges its responses set forth in paragraphs 1 - 25  
 above.

11          37.    Wells Fargo admits that what purports to be a copy of U.S. Patent No. 7,050,977  
 12        (“ ’977 patent”) is attached to the Complaint as Exhibit 3. Wells Fargo admits that the ’977  
 13        patent is entitled “Speech-Enabled Server for Internet Website and Method.” Wells Fargo lacks  
 14        knowledge or information sufficient to form a belief about the truth of the remainder of the  
 15        allegations in this paragraph and, on that basis, denies the remainder of the allegations in this  
 16        paragraph.

17           38.     Denied.

18           39.     Denied.

19           40.     Denied.

20           **VII.    FOURTH COUNT FOR INFRINGEMENT OF UNITED**  
 21           **STATES PATENT NO. 7,277,854**

22          41.    Wells Fargo repeats and realleges its responses set forth in paragraphs 1 - 25  
 above.

24          42.    Wells Fargo admits that what purports to be a copy of U.S. Patent No. 7,277,854  
 25        (“ ’854 patent”) is attached to the Complaint as Exhibit 4. Wells Fargo admits that the ’854  
 26        patent is entitled “Speech Recognition System Interactive Agent.” Wells Fargo lacks knowledge  
 27        or information sufficient to form a belief about the truth of the remainder of the allegations in  
 28        this paragraph and, on that basis, denies the remainder of the allegations in this paragraph.

1 43. Denied.

2 44. Denied.

3 45. Denied.

4 **VIII. DEMAND FOR JURY TRIAL**

5 46. This paragraph demands a jury trial, and accordingly no response is necessary for  
6 this paragraph.

7 **IX. PRAYER FOR RELIEF**

8 47. Wells Fargo denies each allegation of the Complaint not expressly admitted  
9 herein.

10 **AFFIRMATIVE DEFENSES**

11 **FIRST AFFIRMATIVE DEFENSE**

12 48. On information and belief, the '846 patent is invalid because it fails to enable a  
13 person of ordinary skill in the art to make and/or use the purported inventions claimed therein as  
14 required by 35 U.S.C. § 112.

15 **SECOND AFFIRMATIVE DEFENSE**

16 49. On information and belief, the '846 patent is invalid because it fails to set forth an  
17 adequate written description of the purported inventions claimed therein as required by 35 U.S.C.  
18 § 112.

19 **THIRD AFFIRMATIVE DEFENSE**

20 50. On information and belief, the '846 patent is invalid because it fails to provide the  
21 best mode known to the putative inventors of practicing the purported inventions claimed therein  
22 as required by 35 U.S.C. § 112.

23 **FOURTH AFFIRMATIVE DEFENSE**

24 51. On information and belief, the '846 patent is invalid because it fails to satisfy the  
25 definiteness requirement of 35 U.S.C. § 112.

26 **FIFTH AFFIRMATIVE DEFENSE**

27 52. On information and belief, the '846 patent is invalid because the purported  
28 inventions claimed therein are anticipated by prior art under 35 U.S.C. § 102.

## SIXTH AFFIRMATIVE DEFENSE

53. On information and belief, the '846 patent is invalid because the purported inventions claimed therein do not meet the requirement of non-obviousness contained in 35 U.S.C. § 103.

## SEVENTH AFFIRMATIVE DEFENSE

54. On information and belief, the '846 patent is invalid because it fails to set forth the proper inventors of the purported inventions claimed in the patent.

## **EIGHTH AFFIRMATIVE DEFENSE**

55. On information and belief, the '846 patent is not infringed by Wells Fargo because the claim constructions that would be required to find infringement are barred by the doctrine of prosecution disclaimer and/or prosecution history estoppel.

## **NINTH AFFIRMATIVE DEFENSE**

56. On information and belief, the '640 patent is invalid because it fails to enable a person of ordinary skill in the art to make and/or use the purported inventions claimed therein as required by 35 U.S.C. § 112.

## **TENTH AFFIRMATIVE DEFENSE**

57. On information and belief, the '640 patent is invalid because it fails to set forth an adequate written description of the purported inventions claimed therein as required by 35 U.S.C. § 112.

## **ELEVENTH AFFIRMATIVE DEFENSE**

58. On information and belief, the '640 patent is invalid because it fails to provide the best mode known to the putative inventors of practicing the purported inventions claimed therein as required by 35 U.S.C. § 112.

## **TWELFTH AFFIRMATIVE DEFENSE**

59. On information and belief, the '640 patent is invalid because it fails to satisfy the definiteness requirement of 35 U.S.C. § 112.

## THIRTEENTH AFFIRMATIVE DEFENSE

60. On information and belief, the '640 patent is invalid because the purported inventions claimed therein are anticipated by prior art under 35 U.S.C. § 102.

## FOURTEENTH AFFIRMATIVE DEFENSE

61. On information and belief, the '640 patent is invalid because the purported inventions claimed therein do not meet the requirement of non-obviousness contained in 35 U.S.C. § 103.

## **FIFTEENTH AFFIRMATIVE DEFENSE**

62. On information and belief, the '640 patent is invalid because it fails to set forth the proper inventors of the purported inventions claimed in the patent.

## SIXTEENTH AFFIRMATIVE DEFENSE

63. On information and belief, the '640 patent is not infringed by Wells Fargo because the claim constructions that would be required to find infringement are barred by the doctrine of prosecution disclaimer and/or prosecution history estoppel.

## SEVENTEENTH AFFIRMATIVE DEFENSE

64. On information and belief, the '977 patent is invalid because it fails to enable a person of ordinary skill in the art to make and/or use the purported inventions claimed therein as required by 35 U.S.C. § 112.

## **EIGHTEENTH AFFIRMATIVE DEFENSE**

65. On information and belief, the '977 patent is invalid because it fails to set forth an adequate written description of the purported inventions claimed therein as required by 35 U.S.C. § 112.

## NINETEENTH AFFIRMATIVE DEFENSE

66. On information and belief, the '977 patent is invalid because it fails to provide the best mode known to the putative inventors of practicing the purported inventions claimed therein as required by 35 U.S.C. § 112.

## **TWENTIETH AFFIRMATIVE DEFENSE**

67. On information and belief, the '977 patent is invalid because it fails to satisfy the definiteness requirement of 35 U.S.C. § 112.

## **TWENTY-FIRST AFFIRMATIVE DEFENSE**

68. On information and belief, the '977 patent is invalid because the purported inventions claimed therein are anticipated by prior art under 35 U.S.C. § 102.

## **TWENTY-SECOND AFFIRMATIVE DEFENSE**

69. On information and belief, the '977 patent is invalid because the purported inventions claimed therein do not meet the requirement of non-obviousness contained in 35 U.S.C. § 103.

## **TWENTY-THIRD AFFIRMATIVE DEFENSE**

70. On information and belief, the '977 patent is invalid because it fails to set forth the proper inventors of the purported inventions claimed in the patent.

## **TWENTY-FOURTH AFFIRMATIVE DEFENSE**

71. On information and belief, the '977 patent is not infringed by Wells Fargo because the claim constructions that would be required to find infringement are barred by the doctrine of prosecution disclaimer and/or prosecution history estoppel.

## **TWENTY-FIFTH AFFIRMATIVE DEFENSE**

72. On information and belief, the '854 patent is invalid because it fails to enable a person of ordinary skill in the art to make and/or use the purported inventions claimed therein as required by 35 U.S.C. § 112.

## **TWENTY-SIXTH AFFIRMATIVE DEFENSE**

73. On information and belief, the '854 patent is invalid because it fails to set forth an adequate written description of the purported inventions claimed therein as required by 35 U.S.C. § 112.

## **TWENTY-SEVENTH AFFIRMATIVE DEFENSE**

2        74. On information and belief, the '854 patent is invalid because it fails to provide the  
3 best mode known to the putative inventors of practicing the purported inventions claimed therein  
4 as required by 35 U.S.C. § 112.

## **TWENTY-EIGHTH AFFIRMATIVE DEFENSE**

6 75. On information and belief, the '854 patent is invalid because it fails to satisfy the  
7 definiteness requirement of 35 U.S.C. § 112.

## **TWENTY-NINTH AFFIRMATIVE DEFENSE**

9 76. On information and belief, the '854 patent is invalid because the purported  
10 inventions claimed therein are anticipated by prior art under 35 U.S.C. § 102.

## THIRTIETH AFFIRMATIVE DEFENSE

12        77. On information and belief, the '854 patent is invalid because the purported  
13 inventions claimed therein do not meet the requirement of non-obviousness contained in 35  
14 U.S.C. § 103.

## THIRTY-FIRST AFFIRMATIVE DEFENSE

16        78. On information and belief, the '854 patent is invalid because it fails to set forth  
17 the proper inventors of the purported inventions claimed in the patent.

## THIRTY-SECOND AFFIRMATIVE DEFENSE

19 79. On information and belief, the '854 patent is not infringed by Wells Fargo  
20 because the claim constructions that would be required to find infringement are barred by the  
21 doctrine of prosecution disclaimer and/or prosecution history estoppel.

## THIRTY-THIRD AFFIRMATIVE DEFENSE

23        80. On information and belief, one or more of Phoenix's claims are barred by the  
24 doctrine of laches.

## THIRTY-FOURTH AFFIRMATIVE DEFENSE

26 81. On information and belief, Phoenix's claims for damages are limited and/or  
27 barred by its failure to comply with the provisions of 35 U.S.C. § 287.

## THIRTY-FIFTH AFFIRMATIVE DEFENSE

2 82. On information and belief, Phoenix’s claims for infringement of the ’846 patent  
3 are barred in whole or in part by its failure to comply with the duty of candor before the United  
4 States Patent and Trademark Office (“USPTO”). Phoenix misrepresented or omitted material  
5 information in prosecuting the ’846 patent. The materiality of the information that was omitted  
6 is confirmed by the fact that, as explained further below, in each instance the reference in  
7 question was cited to Phoenix by a patent examiner overseeing the prosecution of a patent  
8 application seeking to claim related subject matter, and the reference was cited as a ground for  
9 rejecting the claims of that pending application. That demonstrates that a reasonable examiner  
10 would have likely considered the withheld information relevant in assessing the patentability of  
11 the claims here. Further, on information and belief, Phoenix withheld the information with the  
12 intent to deceive the USPTO. Phoenix’s intent to deceive the USPTO can be inferred from the  
13 fact that it repeatedly failed to cite material prior art of which it was made aware during the  
14 course of prosecuting related applications. Illustrative examples of such failures to disclose  
15 material prior art of which Wells Fargo is currently aware are discussed below. As a result of at  
16 least these omissions, the ’846 patent is unenforceable due to inequitable conduct.

17        83. During the time that the '846 patent was pending before the USPTO, Phoenix was  
18 aware of U.S. Patent No. 5,615,296 to Stanford. Phoenix became aware of the Stanford patent  
19 no later than May of 2002, when the Examiner in the '640 patent prosecution mailed an Office  
20 Action rejecting the claims of the '640 patent, based in part on obviousness over the Stanford  
21 patent.

22        84.     As explained in paragraph 82 above, the Stanford patent's materiality is  
23 demonstrated by the fact that it was used to reject the claims of a patent application from the  
24 same family. The Stanford patent also discloses information that is unquestionably material to  
25 issues relating to the patentability of the claims of the '846 patent, including the issue of  
26 obviousness. For example, the '846 patent as issued claims a system "wherein said speech  
27 representative values are transmitted continuously during said speech utterances." The Stanford

1 patent, at column 4, lines 10-12 notes that it discloses a “technique of speaker-independent,  
 2 continuous-speech phrases and bi-grams.”

3 85. Well over three months later, in September of 2002, Phoenix submitted a  
 4 supplemental Information Disclosure Statement. That IDS contained no mention of the Stanford  
 5 patent. Days after that, Phoenix submitted a set of amendments and arguments intended to  
 6 overcome the Examiner’s prior rejection of the claims of the ’846 patent. Still no mention was  
 7 made of the Stanford patent, despite the fact that Phoenix had attempted at length to distinguish  
 8 the Stanford patent in the ’640 patent prosecution.

9 86. On March 12, 2003, the Examiner gave notice of allowance of all claims of the  
 10 ’846 patent. Phoenix still failed to disclose to the USPTO the Stanford patent, a reference that  
 11 may well have led the USPTO to withdraw its notice of allowance of the claims.

12 87. The ’846 patent reflects on its face that the Stanford patent was never considered  
 13 by the Examiner during its prosecution. Notably, the attorney prosecuting both the ’846 patent  
 14 and the ’640 patent was the same: J. Nicholas Gross. By intentionally failing to submit this  
 15 material reference, Phoenix committed inequitable conduct, and the ’846 patent is unenforceable.

16 88. Also during the time that the ’846 patent was pending before the USPTO, Phoenix  
 17 was aware of U.S. Patent No. 5,983,190 to Trower. Phoenix became aware of the Trower patent  
 18 no later than May of 2002, when the Examiner in the ’640 patent prosecution mailed an Office  
 19 Action rejecting the claims of the ’640 patent, based in part on obviousness over the Trower  
 20 patent.

21 89. As explained in paragraph 82 above, the Trower patent’s materiality is  
 22 demonstrated by the fact that it was used to reject the claims of a patent application from the  
 23 same family. The Trower patent also discloses information that is unquestionably material to  
 24 issues relating to the patentability of the claims of the ’846 patent, including the issue of  
 25 obviousness. For example, the ’846 patent as issued claims a program used in a system “for  
 26 receiving user speech utterance signals representing speech utterances to be recognized” that  
 27 “works within a browser program executing on said computing system.” The Trower patent, at  
 28 column 3, lines 15-16 and column 4, lines 28-34 notes that it discloses a system that relates to

1 “speech input” and utilizes “a microphone and analog to digital convertor circuitry for  
2 converting sound to digitized audio” and that the system is “advantageous for web pages.”

3 90. Well over three months later, in September of 2002, Phoenix submitted a  
4 supplemental Information Disclosure Statement. That IDS contained no mention of the Trower  
5 patent. Days after that, Phoenix submitted a set of amendments and arguments intended to  
6 overcome the Examiner's prior rejection of the claims of the '846 patent. Still no mention was  
7 made of the Trower patent.

8        91. On March 12, 2003, the Examiner gave notice of allowance of all claims of the  
9 '846 patent. Phoenix still failed to disclose to the USPTO the Trower patent, a reference that  
10 may well have led the USPTO to withdraw its notice of allowance of the claims.

11        92. The '846 patent reflects on its face that the Trower patent was never considered  
12 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '846 patent  
13 and the '640 patent was the same: J. Nicholas Gross. By intentionally failing to submit this  
14 material reference, Phoenix committed inequitable conduct, and the '846 patent is unenforceable.

## THIRTY-SIXTH AFFIRMATIVE DEFENSE

16        93. On information and belief, Phoenix's claims for infringement of the '640 patent  
17 are barred in whole or in part by its failure to comply with the duty of candor before the USPTO.  
18 Phoenix misrepresented or omitted material information in prosecuting the '640 patent. The  
19 materiality of the information that was omitted is confirmed by the fact that, as explained further  
20 below, in each instance the reference in question was cited to Phoenix by a patent examiner  
21 overseeing the prosecution of a patent application seeking to claim related subject matter, and the  
22 reference was cited as a ground for rejecting the claims of that pending application. That  
23 demonstrates that a reasonable examiner would have likely considered the withheld information  
24 relevant in assessing the patentability of the claims here. Further, on information and belief,  
25 Phoenix withheld the information with the intent to deceive the USPTO. Phoenix's intent to  
26 deceive the USPTO can be inferred from the fact that it repeatedly failed to cite material prior art  
27 of which it was made aware during the course of prosecuting related applications. Illustrative  
28 examples of such failures to disclose material prior art of which Wells Fargo is currently aware

1 are discussed below. As a result of at least these omissions, the '640 patent is unenforceable due  
 2 to inequitable conduct.

3       94. During the time that the '640 patent was pending before the USPTO, Phoenix was  
 4 aware of U.S. Patent No. 5,737,485 to Flanagan. Phoenix became aware of the Flanagan patent  
 5 no later than September of 2001, when the Examiner in the '846 patent prosecution mailed an  
 6 Office Action rejecting the claims of the '846 patent, based in part on obviousness over the  
 7 Flanagan patent.

8       95. As explained in paragraph 93 above, the Flanagan patent's materiality is  
 9 demonstrated by the fact that it was used to reject the claims of a patent application from the  
 10 same family. The Flanagan patent also discloses information that is unquestionably material to  
 11 issues relating to the patentability of the claims of the '640 patent, including the issue of  
 12 obviousness. For example, the '640 patent as issued claims "a speech recognition system for  
 13 generating recognized speech utterance data from partially processed speech data." The  
 14 Flanagan patent, at column 3, lines 55-57 and column 4, lines 2-4 discloses a "feature extractor  
 15 [that] extracts speech features or cepstrum coefficients," which data are then "provided as inputs  
 16 to the speech recognizer."

17       96. A year later, in September of 2002, Phoenix submitted a set of amendments and  
 18 responses to the USPTO's Office Action rejecting the claims of the '640 patent. Phoenix made  
 19 no mention of the Flanagan patent at that time. Shortly thereafter, Phoenix submitted another  
 20 supplemental Information Disclosure Statement to the USPTO. Yet Phoenix again made no  
 21 mention of the Flanagan patent.

22       97. The '640 patent reflects on its face that the Flanagan patent was never considered  
 23 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '640 patent  
 24 and the '846 patent was the same: J. Nicholas Gross. By intentionally failing to submit this  
 25 material reference, Phoenix committed inequitable conduct, and the '640 patent is unenforceable.

26       98. During the time that the '640 patent was pending before the USPTO, Phoenix was  
 27 aware of U.S. Patent No. 5,265,014 to Haddock. Phoenix became aware of the Haddock patent  
 28 no later than September of 2001, when the Examiner in the '846 patent prosecution mailed an

1 Office Action rejecting the claims of the '846 patent, based in part on obviousness over the  
 2 Haddock patent.

3       99. As explained in paragraph 93 above, the Haddock patent's materiality is  
 4 demonstrated by the fact that it was used to reject the claims of a patent application from the  
 5 same family. The Haddock patent also discloses information information that is unquestionably  
 6 material to issues relating to the patentability of the claims of the '640 patent, including the issue  
 7 of obviousness. For example, the '640 patent as issued claims a system "adapted for responding  
 8 to speech-based queries" that has a "speech recognition system for generating recognized speech  
 9 utterance data" and "a query formulation system for converting said recognized speech data into  
 10 a search query suitable for identifying a topic query entry corresponding to said speech-based  
 11 query." The Haddock patent, at column 4, lines 25-28 and 43-46 notes that it discloses a system  
 12 whereby "the user communicates textual information to the computer system by talking to the  
 13 computer rather than by typing the information at the keyboard" and is "embodied in a user  
 14 interface of a database system which receives a database query from a user, evaluates the query,  
 15 and provides a result of the evaluation to the user."

16       100. A year later, in September of 2002, Phoenix submitted a set of amendments and  
 17 responses to the USPTO's Office Action rejecting the claims of the '640 patent. Phoenix made  
 18 no mention of the Haddock patent at that time. Shortly thereafter, Phoenix submitted another  
 19 supplemental Information Disclosure Statement to the USPTO. Yet Phoenix again made no  
 20 mention of the Haddock patent.

21       101. The '640 patent reflects on its face that the Haddock patent was never considered  
 22 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '640 patent  
 23 and the '846 patent was the same: J. Nicholas Gross. By intentionally failing to submit this  
 24 material reference, Phoenix committed inequitable conduct, and the '640 patent is unenforceable.

25       102. During the time that the '640 patent was pending before the USPTO, Phoenix was  
 26 aware of U.S. Patent No. 6,336,090 to Chou. Phoenix became aware of the Chou patent no later  
 27 than May of 2002, when the Examiner in the '846 patent prosecution mailed an Office Action  
 28 rejecting the claims of the '846 patent, based in part on obviousness over the Chou patent.

1       103. As explained in paragraph 93 above, the Chou patent's materiality is  
 2 demonstrated by the fact that it was used to reject the claims of a patent application from the  
 3 same family. The Chou patent also discloses information information that is unquestionably  
 4 material to issues relating to the patentability of the claims of the '640 patent, including the issue  
 5 of obviousness. For example, the '640 patent as issued claims a system that involves "partially  
 6 processed speech data being received from a remote speech capturing system." The Chou patent,  
 7 at column 9, lines 51-59 notes that it discloses a "feature extraction and/or ASR units can be  
 8 located a the receiving base station, the switch connected to the base station . . . or at another  
 9 location connection on the network(s) to which these elements are connected" and that it will  
 10 sometimes "be convenient to have the feature extraction and ASR operations performed at  
 11 different locations."

12       104. A few months later, in September of 2002, Phoenix submitted a set of  
 13 amendments and responses to the USPTO's Office Action rejecting the claims of the '640 patent.  
 14 Phoenix made no mention of the Chou patent at that time. Shortly thereafter, Phoenix submitted  
 15 another supplemental Information Disclosure Statement to the USPTO. Yet Phoenix again made  
 16 no mention of the Chou patent.

17       105. The '640 patent reflects on its face that the Chou patent was never considered by  
 18 the Examiner during its prosecution. Notably, the attorney prosecuting both the '640 patent and  
 19 the '846 patent was the same: J. Nicholas Gross. By intentionally failing to submit this material  
 20 reference, Phoenix committed inequitable conduct, and the '640 patent is unenforceable.

21                   **THIRTY-SEVENTH AFFIRMATIVE DEFENSE**

22       106. On information and belief, Phoenix's claims for infringement of the '977 patent  
 23 are barred in whole or in part by its failure to comply with the duty of candor before the USPTO.  
 24 Phoenix misrepresented or omitted material information in prosecuting the '977 patent. The  
 25 materiality of the information that was omitted is confirmed by the fact that, as explained further  
 26 below, in each instance the reference in question was cited to Phoenix by a patent examiner  
 27 overseeing the prosecution of a patent application seeking to claim related subject matter, and the  
 28 reference was cited as a ground for rejecting the claims of that pending application. That

1 demonstrates that a reasonable examiner would have likely considered the withheld information  
2 relevant in assessing the patentability of the claims here. Further, on information and belief,  
3 Phoenix withheld the information with the intent to deceive the USPTO. Phoenix's intent to  
4 deceive the USPTO can be inferred from the fact that it repeatedly failed to cite material prior art  
5 of which it was made aware during the course of prosecuting related applications. Illustrative  
6 examples of such failures to disclose material prior art of which Wells Fargo is currently aware  
7 are discussed below. As a result of at least these omissions, the '977 patent is unenforceable due  
8 to inequitable conduct.

9 107. During the time that the '977 patent was pending before the USPTO, Phoenix was  
10 aware of U.S. Patent No. 5,615,296 to Stanford. Phoenix became aware of the Stanford patent  
11 no later than May of 2002, when the Examiner in the '640 patent prosecution mailed an Office  
12 Action rejecting the claims of the '640 patent, based in part on obviousness over the Stanford  
13 patent.

14 108. As explained in paragraph 106 above, the Stanford patent's materiality is  
15 demonstrated by the fact that it was used to reject the claims of a patent application from the  
16 same family. The Stanford patent also discloses information that is unquestionably material to  
17 issues relating to the patentability of the claims of the '977 patent, including the issue of  
18 obviousness. For example, the '977 patent as issued claims a system "adapted to interact on a  
19 real-time basis in response to one or more continuous speech queries." The Stanford patent, at  
20 column 4, lines 10-12 notes that it discloses a "technique of speaker-independent, continuous-  
21 speech phrases and bi-grams."

22 109. After May of 2002, Phoenix submitted no less than five Information Disclosure  
23 Statements. Not one disclosed the Stanford patent. Phoenix also twice amended its claims, but  
24 did not make any mention of the Stanford patent when doing so, despite the fact that Phoenix had  
25 attempted at length to distinguish the Stanford patent in the '640 patent prosecution.

26 110. The '977 patent reflects on its face that the Stanford patent was never considered  
27 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '977 patent  
28

1 and the '640 patent was the same: J. Nicholas Gross. By intentionally failing to submit this  
2 material reference, Phoenix committed inequitable conduct, and the '977 patent is unenforceable.

3 111. During the time that the '977 patent was pending before the USPTO, Phoenix was  
4 aware of U.S. Patent No. 5,737,485 to Flanagan. Phoenix became aware of the Flanagan patent  
5 no later than September of 2001, when the Examiner in the '846 patent prosecution mailed an  
6 Office Action rejecting the claims of the '846 patent, based in part on obviousness over the  
7 Flanagan patent.

8 112. As explained in paragraph 106 above, the Flanagan patent's materiality is  
9 demonstrated by the fact that it was used to reject the claims of a patent application from the  
10 same family. The Flanagan patent also discloses information that is unquestionably material to  
11 issues relating to the patentability of the claims of the '977 patent, including the issue of  
12 obviousness. For example, the '977 patent as issued claims "partially processing a speech  
13 utterance at the client platform to generate limited data content speech data." The Flanagan  
14 patent, at column 3, lines 55-57 and column 4, lines 2-4 discloses a "feature extractor [that]  
15 extracts speech features or cepstrum coefficients," which partially processed speech data are then  
16 "provided as inputs to the speech recognizer."

17 113. After September of 2001, Phoenix submitted a half-dozen Information Disclosure  
18 Statements. Not one disclosed the Flanagan patent. Phoenix also twice amended its claims, but  
19 did not make any mention of the Flanagan patent when doing so.

20 114. The '977 patent reflects on its face that the Flanagan patent was never considered  
21 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '977 patent  
22 and the '846 patent was the same: J. Nicholas Gross. By intentionally failing to submit this  
23 material reference, Phoenix committed inequitable conduct, and the '977 patent is unenforceable.

24 115. During the time that the '977 patent was pending before the USPTO, Phoenix was  
25 aware of U.S. Patent No. 5,265,014 to Haddock. Phoenix became aware of the Haddock patent  
26 no later than September of 2001, when the Examiner in the '846 patent prosecution mailed an  
27 Office Action rejecting the claims of the '846 patent, based in part on obviousness over the  
28 Haddock patent.

1       116. As explained in paragraph 106 above, the Haddock patent's materiality is  
 2 demonstrated by the fact that it was used to reject the claims of a patent application from the  
 3 same family. The Haddock patent also discloses information that is unquestionably material to  
 4 issues relating to the patentability of the claims of the '977 patent, including the issue of  
 5 obviousness. For example, the '977 patent as issued claims a website that has a "speech  
 6 recognition routine executing on the server computing system for completing recognition of said  
 7 speech query using said speech data and said data content to generate a recognized speech  
 8 query" and "a list of items, at least some of said list of items being selectable by a user based on  
 9 said recognized speech query." The Haddock patent, at column 4, lines 25-28 and 43-46 notes  
 10 that it discloses a system whereby "the user communicates textual information to the computer  
 11 system by talking to the computer rather than by typing the information at the keyboard" and is  
 12 "embodied in a user interface of a database system which receives a database query from a user,  
 13 evaluates the query, and provides a result of the evaluation to the user."

14       117. After September of 2001, Phoenix submitted a half-dozen Information Disclosure  
 15 Statements. Not one disclosed the Haddock patent. Phoenix also twice amended its claims, but  
 16 did not make any mention of the Haddock patent when doing so.

17       118. The '977 patent reflects on its face that the Haddock patent was never considered  
 18 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '977 patent  
 19 and the '846 patent was the same: J. Nicholas Gross. By intentionally failing to submit this  
 20 material reference, Phoenix committed inequitable conduct, and the '977 patent is unenforceable.

21       119. During the time that the '977 patent was pending before the USPTO, Phoenix was  
 22 aware of U.S. Patent No. 5,540,589 to Waters. Phoenix became aware of the Waters patent no  
 23 later than September of 2001, when the Examiner in the '846 patent prosecution mailed an  
 24 Office Action rejecting the claims of the '846 patent, based in part on obviousness over the  
 25 Waters patent.

26       120. As explained in paragraph 106 above, the Waters patent's materiality is  
 27 demonstrated by the fact that it was used to reject the claims of a patent application from the  
 28 same family. The Waters patent also discloses information that is unquestionably material to

1 issues relating to the patentability of the claims of the '977 patent, including the issue of  
 2 obviousness. For example, the '977 patent as issued claims a system "wherein signal processing  
 3 functions required to generate said recognized speech query can be allocated between a client  
 4 platform and the server computing system as needed based on computing resources available to  
 5 said client platform and server computing system respectively." The Waters patent, at column 6,  
 6 lines 21-23 notes that it discloses a system where the "voice recognizer **34** is illustrated as a  
 7 standalone component, although it may be built-in to the controller."

8 121. After September of 2001, Phoenix submitted a half-dozen Information Disclosure  
 9 Statements. Not one disclosed the Waters patent. Phoenix also twice amended its claims, but  
 10 did not make any mention of the Waters patent when doing so.

11 122. The '977 patent reflects on its face that the Waters patent was never considered by  
 12 the Examiner during its prosecution. Notably, the attorney prosecuting both the '977 patent and  
 13 the '846 patent was the same: J. Nicholas Gross. By intentionally failing to submit this material  
 14 reference, Phoenix committed inequitable conduct, and the '977 patent is unenforceable.

15 123. During the time that the '977 patent was pending before the USPTO, Phoenix was  
 16 aware of U.S. Patent No. 6,336,090 to Chou. Phoenix became aware of the Chou patent no later  
 17 than May of 2002, when the Examiner in the '846 patent prosecution mailed an Office Action  
 18 rejecting the claims of the '846 patent, based in part on obviousness over the Chou patent.

19 124. As explained in paragraph 106 above, the Chou patent's materiality is  
 20 demonstrated by the fact that it was used to reject the claims of a patent application from the  
 21 same family. The Chou patent also discloses information that is unquestionably material to  
 22 issues relating to the patentability of the claims of the '977 patent, including the issue of  
 23 obviousness. For example, the '977 patent as issued claims a website that allows certain speech-  
 24 recognition operations to "be allocated between a client platform and the server computing  
 25 system as needed based on computing resources available to said client platform and server  
 26 computing system respectively." The Chou patent, at column 9, lines 51-59 notes that it  
 27 discloses a "feature extraction and/or ASR units can be located at the receiving base station, the  
 28 switch connected to the base station . . . or at another location connection on the network(s) to

1 which these elements are connected" and that it will sometimes "be convenient to have the  
 2 feature extraction and ASR operations performed at different locations."

3 125. After May of 2002, Phoenix submitted no less than five Information Disclosure  
 4 Statements. Not one disclosed the Chou patent. Phoenix also twice amended its claims, but did  
 5 not make any mention of the Chou patent when doing so.

6 126. The '977 patent reflects on its face that the Chou patent was never considered by  
 7 the Examiner during its prosecution. Notably, the attorney prosecuting both the '977 patent and  
 8 the '846 patent was the same: J. Nicholas Gross. By intentionally failing to submit this material  
 9 reference, Phoenix committed inequitable conduct, and the '977 patent is unenforceable.

10 127. During the time that the '977 patent was pending before the USPTO, Phoenix was  
 11 aware of U.S. Patent No. 5,983,190 to Trower. Phoenix became aware of the Trower patent no  
 12 later than May of 2002, when the Examiner in the '640 patent prosecution mailed an Office  
 13 Action rejecting the claims of the '640 patent, based in part on obviousness over the Trower  
 14 patent.

15 128. As explained in paragraph 106 above, the Trower patent's materiality is  
 16 demonstrated by the fact that it was used to reject the claims of a patent application from the  
 17 same family. The Trower patent also discloses information that is unquestionably material to  
 18 issues relating to the patentability of the claims of the '977 patent, including the issue of  
 19 obviousness. For example, the '977 patent as issued claims a website that "controls an  
 20 interactive character agent presented to the user for assisting in handling said speech query."  
 21 The Trower patent, at column 2, lines 23-25 and column 3, lines 15-17 notes that it discloses a  
 22 "client-server animation system used to display interactive, animated user interface characters  
 23 with speech input and output capability" and that the invention is "advantageous for web pages  
 24 because a web page can include an interactive character simply by adding a reference to the  
 25 agent server."

26 129. After May of 2002, Phoenix submitted no less than five Information Disclosure  
 27 Statements. Not one disclosed the Trower patent. Phoenix also twice amended its claims, but  
 28 did not make any mention of the Trower patent when doing so.

1        130. The '977 patent reflects on its face that the Trower patent was never considered  
2 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '977 patent  
3 and the '640 patent was the same: J. Nicholas Gross. By intentionally failing to submit this  
4 material reference, Phoenix committed inequitable conduct, and the '977 patent is unenforceable.

## THIRTY-EIGHTH AFFIRMATIVE DEFENSE

6 131. On information and belief, Phoenix's claims for infringement of the '854 patent  
7 are barred in whole or in part by its failure to comply with the duty of candor before the USPTO.  
8 Phoenix misrepresented or omitted material information in prosecuting the '854 patent. The  
9 materiality of the information that was omitted is confirmed by the fact that, as explained further  
10 below, in each instance the reference in question was cited to Phoenix by a patent examiner  
11 overseeing the prosecution of a patent application seeking to claim related subject matter, and the  
12 reference was cited as a ground for rejecting the claims of that pending application. That  
13 demonstrates that a reasonable examiner would have likely considered the withheld information  
14 relevant in assessing the patentability of the claims here. Further, on information and belief,  
15 Phoenix withheld the information with the intent to deceive the USPTO. Phoenix's intent to  
16 deceive the USPTO can be inferred from the fact that it repeatedly failed to cite material prior art  
17 of which it was made aware during the course of prosecuting related applications. Illustrative  
18 examples of such failures to disclose material prior art of which Wells Fargo is currently aware  
19 are discussed below. As a result of at least these omissions, the '854 patent is unenforceable due  
20 to inequitable conduct.

132. During the time that the '854 patent was pending before the USPTO, Phoenix was  
aware of U.S. Patent No. 5,983,190 to Trower. Phoenix became aware of the Trower patent no  
later than May of 2002, when the Examiner in the '640 patent prosecution mailed an Office  
Action rejecting the claims of the '640 patent, based in part on obviousness over the Trower  
patent.

26        133. As explained in paragraph 131 above, the Trower patent's materiality is  
27 demonstrated by the fact that it was used to reject the claims of a patent application from the  
28 same family. The Trower patent also discloses information that is unquestionably material to

1 issues relating to the patentability of the claims of the '854 patent, including the issue of  
 2 obviousness. For example, the '854 patent as issued claims a method employing an "interactive  
 3 electronic agent" that "is an animated character on a screen of the client device." The Trower  
 4 patent, at column 2, lines 23-25 notes that it discloses a "client-server animation system used to  
 5 display interactive, animated user interface characters with speech input and output capability."

6 134. Phoenix filed the continuation application that matured into the '854 patent in  
 7 January of 2005, nearly three years after it indisputably learned of the Trower patent. At no time  
 8 during the prosecution of the '854 patent did Phoenix disclose the Trower patent to the USPTO.

9 135. The '854 patent reflects on its face that the Trower patent was never considered  
 10 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '854 patent  
 11 and the '640 patent was the same: J. Nicholas Gross. By intentionally failing to submit this  
 12 material reference, Phoenix committed inequitable conduct, and the '854 patent is unenforceable.

13 136. During the time that the '854 patent was pending before the USPTO, Phoenix was  
 14 aware of U.S. Patent No. 6,101,472 to Giangarra. Phoenix became aware of the Giangarra patent  
 15 no later than August of 2004, when the Examiner in the '977 patent prosecution mailed an Office  
 16 Action rejecting the claims of the '977 patent, based in part on obviousness over the Giangarra  
 17 patent.

18 137. As explained in paragraph 131 above, the Giangarra patent's materiality is  
 19 demonstrated by the fact that it was used to reject the claims of a patent application from the  
 20 same family. The Giangarra patent also discloses information that is unquestionably material to  
 21 issues relating to the patentability of the claims of the '854 patent, including the issue of  
 22 obviousness. For example, the '854 patent as issued claims a method that includes "providing a  
 23 speech recognition engine adapted to recognize a first set of words and/or phrases during an  
 24 interactive speech session." The Giangarra patent, at column 5, lines 41-44 discloses a  
 25 "vocabulary list stored in speech recognition unit **252** [that] provides a list of all words and  
 26 utterances by an external user which will be recognized as voice commands."

27 138. Phoenix filed the continuation application that matured into the '854 patent in  
 28 January of 2005, several months after it indisputably learned of the Giangarra patent. At no time

1 during the prosecution of the '854 patent did Phoenix disclose the Giangarra patent to the  
 2 USPTO.

3       139. The '854 patent reflects on its face that the Giangarra patent was never considered  
 4 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '854 patent  
 5 and the '977 patent was the same: J. Nicholas Gross. By intentionally failing to submit this  
 6 material reference, Phoenix committed inequitable conduct, and the '854 patent is unenforceable.

7       140. During the time that the '854 patent was pending before the USPTO, Phoenix was  
 8 aware of U.S. Patent No. 6,330,530 to Horiguchi. Phoenix became aware of the Horiguchi  
 9 patent no later than August of 2004, when the Examiner in the '977 patent prosecution mailed an  
 10 Office Action rejecting the claims of the '977 patent, based in part on obviousness over the  
 11 Horiguchi patent.

12       141. As explained in paragraph 131 above, the Horiguchi patent's materiality is  
 13 demonstrated by the fact that it was used to reject the claims of a patent application from the  
 14 same family. The Horiguchi patent also discloses information that is unquestionably material to  
 15 issues relating to the patentability of the claims of the '854 patent, including the issue of  
 16 obviousness. For example, the '854 patent as issued claims "a natural language query system."  
 17 The Horiguchi patent, at column 1, lines 27-28 describes a "natural language processing system."

18       142. Phoenix filed the continuation application that matured into the '854 patent in  
 19 January of 2005, several months after it indisputably learned of the Horiguchi patent. At no time  
 20 during the prosecution of the '854 patent did Phoenix disclose the Horiguchi patent to the  
 21 USPTO.

22       143. The '854 patent reflects on its face that the Horiguchi patent was never considered  
 23 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '854 patent  
 24 and the '977 patent was the same: J. Nicholas Gross. By intentionally failing to submit this  
 25 material reference, Phoenix committed inequitable conduct, and the '854 patent is unenforceable.

26       144. During the time that the '854 patent was pending before the USPTO, Phoenix was  
 27 aware of U.S. Patent No. 6,901,366 to Kuhn. Phoenix became aware of the Kuhn patent no later  
 28

1 than June of 2005, when the Examiner in the '977 patent prosecution mailed an Office Action  
2 rejecting the claims of the '977 patent, based in part on obviousness over the Kuhn patent.

3 145. As explained in paragraph 131 above, the Kuhn patent's materiality is  
4 demonstrated by the fact that it was used to reject the claims of a patent application from the  
5 same family. The Kuhn patent also discloses information that is unquestionably material to  
6 issues relating to the patentability of the claims of the '854 patent, including the issue of  
7 obviousness. For example, the '854 patent as issued claims a method of using a system that  
8 provides "a database of query/answer pairs concerning one or more topics which can be  
9 responded to by the natural language query system." The Kuhn patent, at column 5, line 1 and  
10 lines 45-47 notes that it discloses a "knowledge database" as well as a "natural language parser  
11 12 [that] analyzes and extracts semantically important and meaningful topics from a loosely  
12 structured, natural language text."

13 146. After June of 2005, Phoenix submitted several Information Disclosure  
14 Statements, and also amended the claims several times. At no time during the prosecution of the  
15 '854 patent did Phoenix disclose the Kuhn patent to the USPTO.

16        147. The '854 patent reflects on its face that the Kuhn patent was never considered by  
17 the Examiner during its prosecution. Notably, the attorney prosecuting both the '854 patent and  
18 the '977 patent was the same: J. Nicholas Gross. By intentionally failing to submit this material  
19 reference, Phoenix committed inequitable conduct, and the '854 patent is unenforceable.

## THIRTY-NINTH AFFIRMATIVE DEFENSE

148. On information and belief, the '846 patent is invalid under the doctrine barring  
double patenting and/or obviousness-type double patenting.

## **FORTIETH AFFIRMATIVE DEFENSE**

24 149. On information and belief, the '640 patent is invalid under the doctrine barring  
25 double patenting and/or obviousness-type double patenting.

## **FORTY-FIRST AFFIRMATIVE DEFENSE**

27 150. On information and belief, the '977 patent is invalid under the doctrine barring  
28 double patenting and/or obviousness-type double patenting.

## **FORTY-SECOND AFFIRMATIVE DEFENSE**

151. On information and belief, the '854 patent is invalid under the doctrine barring double patenting and/or obviousness-type double patenting.

# PRAYER FOR RELIEF

WHEREFORE, Wells Fargo prays for judgment as follows:

(a) That Phoenix take nothing by its Complaint and the Court dismiss its Complaint with prejudice;

(b) That the Court find that no claim of the '846 patent has been, or is, infringed willfully, deliberately, or otherwise by Wells Fargo;

(c) That the Court find that no claim of the '640 patent has been, or is, infringed willfully, deliberately, or otherwise by Wells Fargo;

(d) That the Court find that no claim of the '977 patent has been, or is, infringed willfully, deliberately, or otherwise by Wells Fargo;

(e) That the Court find that no claim of the '854 patent has been, or is, infringed willfully, deliberately, or otherwise by Wells Fargo;

16 (f) That the Court find that the claims of the '846 patent are invalid;

17 (g) That the Court find that the claims of the '640 patent are invalid;

18 (h) That the Court find that the claims of the '977 patent are invalid;

19 (i) That the Court find that the claims of the '854 patent are invalid;

20 (i) That the Court find that the '846 patent is unenforceable because

21 conduct committed during its prosecution;

22 (k) That the Court find that the '640 patent is unenforceable because of inequitable  
23 conduct committed during its prosecution;

24 (l) That the Court find that the '977 patent is unenforceable because of inequitable  
25 conduct committed during its prosecution;

26 (m) That the Court find that the '854 patent is unenforceable because of inequitable  
27 conduct committed during its prosecution;

28 (n) That the Court award Wells Fargo reasonable attorneys' fees under 35 U.S.C. § 285;

1 (o) That the Court award Wells Fargo all costs and expenses it incurs in this action;  
2 (p) That the Court award Wells Fargo such other and further relief that it deems just and  
3 proper.

4 **DEMAND FOR JURY TRIAL**

5 Wells Fargo hereby demands a trial by jury of all issues so triable in this action.

6  
7 Dated: May 7, 2008

KEKER & VAN NEST, LLP

8  
9  
10 By: /s/ Eugene M. Paige  
11 Eugene M. Paige  
12 Attorneys for Defendant  
13 WELL'S FARGO BANK, N.A.  
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